

# FISCAL NOTE WORKSHEET (Revised Nov. 2006)

**REVISED**

Agency: Utah State Office of Education  
Daniel Schoenfeld  
 Requested By

Bill Number HB 193

Office of the Legislative Fiscal Analyst  
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Fax/Electronic Mail Transmittal

Date: _____
Name: _____
Fax Number: _____

Please return to Fiscal Analyst by: January 22, 2007

**TITLE OF BILL:** INSTRUCTIONAL EXPENSES REQUIREMENTS

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other \_\_\_\_\_

Bill Carries Own Appropriation: ☐

## FISCAL IMPACT OF PROPOSED LEGISLATION

### A. Revenue Impact by Source of Funds:

First Year

Second Year

	\$0	\$0
1. General Fund		
2. Uniform School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

### B. Expenditure Impact by Source of Funds:

	\$0	\$0
1. General Funds		
2. Uniform School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

### C. Expenditure Impact Summary:

	\$0	\$0
1. Salaries, Wages and Benefits		
2. Travel		
3. Current Expenses		
4. Capital Outlay		
5. Other (Specify)		
6. TOTAL	\$0	\$0

### D. Impact in Future Years?

*If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. Use back side, if necessary.)*

The impact will not be greater after the first two years.

Von Hortin, Audit/Finance Specialist	USOE< Finance & Statistics	538-7670	01/22/07
Prepared By	Title	Agency	USOE
Bill Number: <u>HB 193</u>	Bill Title: <u>Instructional Expenses Requirements</u>	Phone No.	Date

**E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**

None

**F. Expenditure Impact Details (Ties to totals in Section C)**

(USE ATTACHMENTS IF NECESSARY.) Per the National center for Education Statistics , 'Overview of Public Elementary and Secondary students, Staff, Schools, School District, Revenues and Expenditures: School Year 2004-05 and Fiscal Year 2004' Utah is in 9th position for per cent of General Fund Expenditures in Instruction. The United States average for the 66.1% while Utah is at 68.4 as a state.

For the FY 06 fiscal year there were 12 districts who did not meet the criteria and would need to make changes in their expenditure patterns to come into compliance with the law. The Charter Schools have already been noted by the legislative auditors as not having consistent data for a comparison. The districts would have the option of increasing instructional spending or reducing expenses in other support areas. This could mean they would no longer meet accreditation standards also. This bill seems to conflict with 53A-1-402(1).

A detailed spreadsheet is attached showing Utah's 2006 performance.

**G. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.*

*Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)* This bill would have no fiscal impact upon the state as we would be able to track and calculate the expenses with staff already in the office. This would however create significant changes for school districts who might have to change expense patterns. In rural districts where transportation makes up a large part of the expenses this may not be achievable.

**H. If Bill Carries It's Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.*

*Are there future additional costs anticipated beyond the appropriation in the bill?*

This bill carries no appropriation.

**I. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.*

*Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local School Districts/Charter Schools : This would require changes in some districts expenditure patterns. In districts where large transportation expenses exist it may not be possible to achieve the 65% level. There is an inherent conflict between this bill and accreditation standards schools are currently trying to meet.

Businesses and Associations :

Individuals :

**Narrative Description of Bill** : This bill would require school districts to spend 65% of M&O expenditures in the instructional function or in the classroom. If a district fails to meet this standard they must improve by 2% each year until they do meet the standard. A waiver could be granted by the state board of education in some situations.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.